CATEGORICAL EXCLUSION

I. PROJECT IDENTIFICATION

Project Name and Address: City of East Chicago

Drinking Water Facility Planning, Design, Value Engineering and Membrane Procurement

5201 Indianapolis Blvd East Chicago, IN 46312

SRF Project Number: DW 199110 02

Authorized Representative: Mr. Al Velez, Director of Utilities

II. PROJECT LOCATION

East Chicago is located in the Northwest corner of Lake County, Indiana. The proposed improvements will take place in the Whiting topographic USGS quadrangle, Township 37 N, Range 9W, Sections 15 and 22.

III. PROJECT NEED AND PURPOSE

The city's conventional water treatment plant has reached the end of its design life, and many of the vital systems need major upgrades or replacement. The city will replace these facilities to provide compliance with current and future water quality regulations, specifically the Long Term 2 Enhanced Surface Water Treatment Rule.

The city has decided to use membrane filtration with sodium hypochlorite disinfection, and has completed a 6-month pilot testing program for the membrane system.

No construction is associated with this project. This project will only plan, design, value engineer and procure the membrane for the facilities. The actual construction project will be implemented later.

IV. PROJECT COSTS, AFFORDABILITY AND FUNDING

Engineering, Design, Value Engineering, Membrane Procurement	\$ 5,800,000
TOTAL	\$ 5,800,000

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East Chicago will use unspent funds remaining from a current SRF loan to conduct planning, design, value engineering and membrane procurement. Prior to the final design on the proposed drinking water improvements, East Chicago will submit to the SRF Loan Program its preliminary design for review and approval of SRF funding of the final design; the preliminary design will identify the final recommended alternatives, including site and route information for environmental review coordination. Final design will not occur until after the SRF Loan Program completes environmental review coordination and approves the preliminary design. Construction will occur on a later date. After public bids are received, East Chicago will close a third SRF loan to fund construction of the drinking water membrane filtration plant project.

V. ENVIRONMENTAL IMPACTS OF THE FEASIBLE ALTERNATIVES

Since this project will consist only of planning, design, value engineering and membrane procurement, there will be no negative environmental impacts. This planning, design, value engineering, and membrane procurement project has no potential affect to historic sites. Our finding pursuant to Section 106 of the National Historic Preservation Act is: "no historic properties affected."

VI. PUBLIC PARTICIPATION

Properly noticed public hearings were held on December 28, 2006 and August 22, 2007 to discuss the proposed project. Another public hearing will be held in advance of the third SRF loan closing to further discuss the proposed drinking water project.

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